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FEDERAL BILL of LADING ACT

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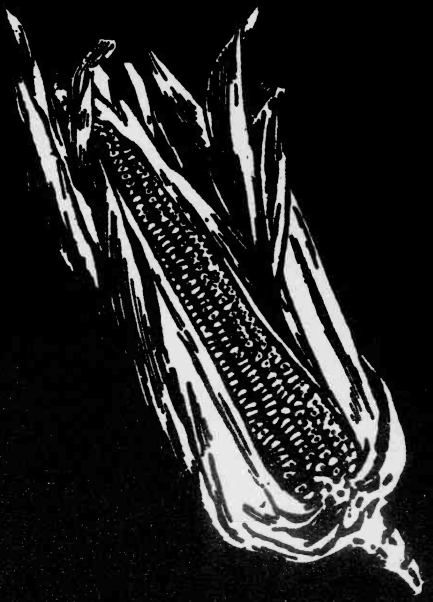

FOR CONSTRUCTIVE BANKING

The Corn Exchange National Bank

Chestnut Street at Second :: Philadelphia

Complete Text With Analysis

OF THE

FEDERAL BILL OF LADING ACT

(Pomerene Act)

Making Negotiable Bills of Lading in Interstate and Foreign Commerce. Effective Jan. 1, 1917

Passed by Senate, March 9, 1916
Amended and Passed by House, August 14, 1916
Senate Concurred in House Amendment, August 16, 1916
Signed by President Wilson, August 29, 1916

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NATIONAL BANK NEWS
PHILADELPHIA

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May 27, 1931 DA/HEC

FEDERAL BILL OF LADING ACT MAKES NEGOTIABLE INSTRUMENTS OF BILLS OF LADING

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That bills of lading issued by any common carrier for the transportation of goods in any Territory of the United States, or the District of Columbia, or from a place in a State to a place in a foreign country, or from a place in one State to a place in another State, or from a place in one State to a place in the same State through another State or foreign country, shall be governed by this Act.

SEC. 2. That a bill in which it is stated that the goods are consigned or destined to a specified person is a straight bill.

SEC. 3. That a bill in which it is stated that the goods are consigned or destined to the order of any person named in such bill is an order bill. Any provision in such a bill or in any notice, contract, rule, regulation, or tariff that it is nonnegotiable shall be null and void and shall not affect its negotiability within the meaning of this Act unless upon its face and in writing agreed to by the shipper.

SEC. 4. That order bills issued in a State for the transportation of goods to any place in the United States on the Continent of North America, except Alaska and Panama, shall not be issued in parts or sets. If so issued, the carrier issuing them shall be liable for failure to deliver the goods described therein to anyone who purchases a part for value in good faith, even though the purchase be after the delivery of the goods by the carrier to a holder of one of the other parts: *Provided, however,* That nothing contained in this section shall be interpreted or construed to forbid the issuing of order bills in parts or sets for such transportation of goods to Alaska, Panama, Porto Rico, the Philippines,

ANALYSIS

(A) This Act exercises jurisdiction over bills of lading covering:
1. Transportation within any Territory of U. S. or District of Columbia.
2. From a State to a foreign country.
3. From one State to another State.
4. Between points in the same State when transported through another State or foreign country.

(B) Kinds of bills to be used:
1. Straight bill is when consigned or destined to a specified person.
   (a) Such bills are nonnegotiable and shall be so marked. *Sec. 6*
   (b) Same limitation not to apply to acknowledgments of an informal character. *Sec. 6*
2. Order bill is when goods are consigned to order of any person.
   (a) Such bills always negotiable.
      (1) Unless made nonnegotiable by the shipper in agreement in writing.
   (b) Order bills may not be issued in parts or sets
      (1) Except when shipments are to Alaska and Panama.
      (2) If issued in parts or sets carrier will be held liable to anyone who purchases a part for value in good faith even though such purchase is made after delivery of the goods.
      (3) These provisions not to forbid issuing of order bills in parts or sets on goods to Alaska, Panama, Porto Rico, the

Hawaii, or foreign countries, or to impose the liabilities set forth in this section for so doing.

Philippines, Hawaii, or foreign countries.

SEC. 5. That when more than one order bill is issued in a State for the same goods to be transported to any place in the United States on the Continent of North America, except Alaska and Panama, the word "duplicate," or some other word or words indicating that the document is not an original bill, shall be placed plainly upon the face of every such bill except the one first issued. A carrier shall be liable for the damage caused by his failure so to do to anyone who has purchased the bill for value in good faith as an original, even though the purchase be after the delivery of the goods by the carrier to the holder of the original bill: *Provided, however*, That nothing contained in this section shall in such case for such transportation of goods to Alaska, Panama, Porto Rico, the Philippines, Hawaii, or foreign countries be interpreted or construed so as to require the placing of the word "duplicate" thereon, or to impose the liabilities set forth in this section for failure so to do.

(4) Order bills issued on goods shipped to places other than those excepted in (3) issued in series, shall be marked "duplicate." (See D subtitle 3 below.)

SEC. 6. That a straight bill shall have placed plainly upon its face by the carrier issuing it "nonnegotiable" or "not negotiable."

This section shall not apply, however, to memoranda or acknowledgments of an informal character.

SEC. 7. That the insertion in an order bill of the name of a person to be notified of the arrival of the goods shall not limit the negotiability of the bill or constitute notice to a purchaser thereof of any rights or equities of such person in the goods.

(c) Insertion of name of person to be notified of arrival of goods not to limit negotiability of order bills.

SEC. 8. That a carrier, in the absence of some lawful excuse, is bound to deliver goods upon a demand made either by the consignee named in the bill for the goods or, if the bill is an order bill, by the holder thereof, if such a demand is accompanied by—

(C) Carriers compelled to make delivery, in absence of lawful excuse:

1. To the consignee named in a straight bill.
2. To the holder of an order bill, if the demand is accompanied by

(a) An offer in good faith to satisfy the carrier's lawful lien upon the goods;

(a) An offer to satisfy carrier's lawful lien upon goods.

(b) Possession of the bill of lading and an offer in good faith to surrender, properly indorsed, the bill which was issued for the goods, if the bill is an order bill; and

(b) Offer to surrender bill properly indorsed.

(c) A readiness and willingness to sign, when the goods are delivered, an acknowledgment that they have been delivered, if such signature is requested by the carrier.

(c) Willingness to sign receipt for delivery of goods.

In case the carrier refuses or fails to deliver the goods, in compliance with a demand by the consignee or holder so accompanied, the burden shall be upon the carrier to establish the existence of a lawful excuse for such refusal or failure.

3. Failure to deliver under such circumstances, makes burden of proof upon carrier to establish lawful excuse.

SEC. 9. That a carrier is justified, subject to the provisions of the three following sections, in delivering goods to one who is—

(a) A person lawfully entitled to the possession of the goods, or

(b) The consignee named in a straight bill for the goods, or

(c) A person in possession of an order bill for the goods, by the terms of which the goods are deliverable to his order; or which has been indorsed to him, or in blank by the consignee, or by the mediate or immediate indorsee of the consignee.

4. Carrier is justified in making delivery under following conditions:
   (a) To a person lawfully entitled to possession of goods.
   (b) To consignee named in a straight bill.
   (c) To person possessing an order bill
      (1) Which states goods are to be delivered to his order.
      (2) Which has been indorsed to him, or in blank, by consignee.

SEC. 10. That where a carrier delivers goods to one who is not lawfully entitled to the possession of them, the carrier shall be liable to anyone having a right of property or possession in the goods if he delivered the goods otherwise than as authorized by subdivisions (b) and (c) of the preceding section; and, though he delivered the goods as authorized by either of said subdivisions, he shall be so liable if prior to such delivery he—

5. Carrier is liable when delivery is made to person not entitled to goods, and also when the carrier is

(a) Had been requested, by or on behalf of a person having a right of property or possession in the goods, not to make such delivery, or

(a) Requested not to deliver by person having right of property, or

(b) Had information at the time of the delivery that it was to a person not lawfully entitled to the possession of the goods.

(b) Informed at time of delivery that person was not entitled to possession.

Such request or information, to be effective within the meaning of this section, must be given to an officer or agent of the carrier, the actual or apparent scope of whose duties includes action upon such a request or information, and must be given in time to enable the officer or agent to whom it is given, acting with reasonable diligence, to stop delivery of the goods.

(1) Such information must be given to proper agent of carrier.
(2) Must be given in time to stop delivery.

SEC. 11. That except as provided in section twenty-six, and except when compelled by legal process, if a carrier delivers goods for which an order bill had been issued, the negotiation of which would transfer the right to the possession of the goods, and fails to take up and cancel the bill, such carrier shall be liable for failure to deliver the goods to anyone who for value and in good faith purchases such bill, whether such purchaser acquired title to the bill before or after the delivery of the goods by the carrier and notwithstanding delivery was made to the person entitled thereto.

(c) When carrier fails to cancel an order bill on delivery.
(1) Except when compelled by legal process.
(2) If such bill is later acquired for value in good faith.

SEC. 12. That except as provided in section twenty-six, and except when compelled by legal process, if a carrier delivers part of the goods for which an order bill had been issued and fails either—

(a) To take up and cancel the bill, or

(b) To place plainly upon it a statement that a portion of the goods has been delivered with a description which may be in general terms either of the goods or packages that have been so delivered or of the goods or packages which still remain in the carrier's possession, he shall be liable for failure to deliver all the goods specified in the bill to anyone who for value and in good faith purchases it, whether such purchaser acquired title to it before or after the delivery of any portion of the goods by the carrier, and notwithstanding such delivery was made to the person entitled thereto.

(d) When carrier makes partial delivery.
(1) Except when compelled by legal process.
(2) And fails to take up and cancel the bill, or
(3) Mark the bill with a description of the partial delivery.
(4) If such bill is later acquired for value and in good faith.

SEC. 13. That any alteration, addition, or erasure in a bill after its issue without authority from the carrier issuing the same, either in writing or noted on the bill, shall be void, whatever be the nature and purpose of the change, and the bill shall be enforceable according to its original tenor.

(D) Liability of carrier on bills:
1. Alterations, additions, or erasures in a bill made without authority of carrier will be void

SEC. 14. That where an order bill has been lost, stolen, or destroyed a court of competent jurisdiction may order the delivery of the goods upon satisfactory proof of such loss, theft, or destruction; and upon the giving of a bond, with sufficient surety, to be approved by the court, to protect the carrier or any person injured by such delivery from any liability or loss incurred by reason of the original bill remaining outstanding. The court may also in its discretion order the payment of the carrier's reasonable costs and counsel fees: *Provided*, a voluntary indemnifying bond without order of court shall be binding on the parties thereto.

The delivery of the goods under an order of the court, as provided in this section, shall not relieve the carrier from liability to a person to whom the order bill has been or shall be negotiated for value without notice of the proceedings or of the delivery of the goods.

2. When a bill is lost, stolen, or destroyed.
(a) A court of competent jurisdiction may order delivery of goods.
(1) Upon satisfactory proof.
(2) An indemnifying bond being given.
(3) Carrier's costs and counsel fees being paid.
(4) But voluntary indemnifying bond without court order is binding.
(b) Liability not avoided in case such order bill has been negotiated for value without notice of delivery.

SEC. 15. That a bill, upon the face of which the word "duplicate" or some other word or words indicating that the document is not an original bill is placed, plainly shall impose upon the carrier issuing the same the liability of one who represents and warrants that such bill is an accurate copy of an original bill properly issued, but no other liability.

3. A bill marked "duplicate" makes the carrier liable only to the extent of declaring that it is a true copy of the original.

SEC. 16. That no title to goods or right to their possession asserted by a carrier for his own benefit shall excuse him from liability for refusing to deliver the goods according to the terms of a bill issued for them, unless such title or right is derived directly or indirectly from a transfer made by the consignor or consignee after the shipment, or from the carrier's lien.

4. Carrier liable for non-delivery
(a) When title has not been transferred by consignor or consignee to carrier, or
(b) When carrier has no lien on the goods.

SEC. 17. That if more than one person claim the title or possession of goods, the carrier may require all known claimants to interplead, either as a defense to an action brought against him for nondelivery of the goods or as an original suit, whichever is appropriate.

5. When more than one person claim title to goods, carrier may require all known claimants to interplead
(a) As defense to action for non-delivery, or
(b) As an original suit.

SEC. 18. That if some one other than the consignee or the person in possession of the bill has a claim to the title or possession of the goods, and the carrier has information of such claim, the carrier shall be excused from liability for refusing to deliver the goods, either to the consignee or person in possession of the bill or to the adverse claimant, until the carrier has had a reasonable time to ascertain the validity of the adverse claim or to bring legal proceedings to compel all claimants to interplead.

6. Carrier not liable for non-delivery of goods
   (a) If carrier has knowledge of some person other than the consignee or holder of the bill who has a claim.
   (b) Such limitation lasts only until the validity of adverse claim is determined.

SEC. 19. That except as provided in the two preceding sections and in section nine, no right or title of a third person, unless enforced by legal process, shall be a defense to an action brought by the consignee of a straight bill or by the holder of an order bill against the carrier for failure to deliver the goods on demand.

7. Under no other circumstances than those above noted can a carrier be held liable for non-delivery.

SEC. 20. That when goods are loaded by a carrier such carrier shall count the packages of goods, if package freight, and ascertain the kind and quantity if bulk freight, and such carrier shall not, in such cases, insert in the bill of lading or in any notice, receipt, contract, rule, regulation, or tariff, "Shipper's weight, load, and count," or other words of like purport, indicating that the goods were loaded by the shipper and the description of them made by him or in case of bulk freight and freight not concealed by packages the description made by him. If so inserted, contrary to the provisions of this section, said words shall be treated as null and void and as if not inserted therein.

(E) Liability for quantity and quality of the shipment:
1. When loaded by carrier, the carrier must
   (a) Count the packages when it is package freight.
   (b) Ascertain the kind and quantity when bulk freight.
   (c) Insertions in the bill that it is the shipper's weight, load and count will be held to be void.
2. When loaded by the shipper and the bill states it is the shipper's weight, load and count
   (a) Carrier is not liable for the kind, quantity or condition of goods when delivered.
   (b) Carrier not liable for improper loading or misdescription of goods in the bill of lading.

SEC. 21. That when package freight or bulk freight is loaded by a shipper and the goods are described in a bill of lading merely by a statement of marks or labels upon them or upon packages containing them, or by a statement that the goods are said to be goods of a certain kind or quantity, or in a certain condition, or it is stated in the bill of lading that packages are said to contain goods of a certain kind or quantity or in a certain condition, or that the contents or condition of the contents of packages are unknown, or words of like purport are contained in the bill of lading, such statements, if true, shall not make liable the carrier issuing the bill of lading, although the goods are not of the kind or quantity or in the condition which the marks or labels upon them indicate, or of the kind or quantity or in the condition they were said to be by the consignor. The carrier may also by inserting in the bill of lading the words "Shipper's weight, load, and count," or other words of like purport indicate that the goods were loaded by the shipper and the description of them made by him; and if such statement be true, the carrier shall not be liable for damages caused by the improper loading or by the nonreceipt or by the misdescription of the goods described in the bill of lading: *Provided, however*, Where the shipper of bulk freight installs and maintains adequate facilities for weighing such freight, and the same are available to the carrier, then the carrier, upon written request of such shipper and when given a reasonable opportunity so to do, shall ascertain the kind and quantity of bulk freight within a reasonable time after such written request, and the carriers shall not in such cases insert in the bill of lading the words "Shippers' weight," or other words of like purport, and if so inserted contrary to the provisions of this section, said words shall be treated as null and void and as if not inserted therein.

3. When carrier has facilities at hand, and the shipment is bulk freight, request being made in writing
   (a) Carrier must ascertain kind and quantity.
   (b) Then "Shipper's weight," etc., shall not be inserted in bill.

SEC. 22. That if a bill of lading has been issued by a carrier or on his behalf by an agent or employee the scope of whose actual or apparent authority includes the receiving of goods and issuing bills of lading therefor for transportation in commerce among the several States and with foreign nations, the carrier shall be liable to (a) the owner of goods covered by a straight bill subject to existing right of stoppage in transitu or (b) the holder of an order bill, who has given value in good faith, relying upon the description therein of the goods, for damages caused by

(F) Carrier's liability for acts of its agent:
1. When a bill is issued by a carrier's agent of actual or apparent authority, the carrier is liable
   (a) To the owner of goods covered in a straight bill.
   (b) To the bonafide holder for value of an order bill.
   (c) Although goods not received by carrier or misdirected.

the nonreceipt by the carrier of all or part of the goods or their failure to correspond with the description thereof in the bill at the time of its issue.

SEC. 23. That if goods are delivered to a carrier by the owner or by a person whose act in conveying the title to them to a purchaser for value in good faith would bind the owner, and an order bill is issued for them, they can not thereafter, while in the possession of the carrier, be attached by garnishment or otherwise or be levied upon under an execution unless the bill be first surrendered to the carrier or its negotiation enjoined. The carrier shall in no such case be compelled to deliver the actual possession of the goods until the bill is surrendered to him or impounded by the court.

(G) Rights of debtors and creditors:

1. Goods, while in possession of carrier, may not be attached by garnishment or otherwise unless
   (a) Bill is first surrendered to the carrier, or
   (b) Its negotiation enjoined.

SEC. 24. That a creditor whose debtor is the owner of an order bill shall be entitled to such aid from courts of appropriate jurisdiction by injunction and otherwise in attaching such bill or in satisfying the claim by means thereof as is allowed at law or in equity in regard to property which can not readily be attached or levied upon by ordinary legal process.

2. Creditor, whose debtor is owner of an order bill, is entitled to aid of courts of jurisdiction in attaching such bill.

SEC. 25. That if an order bill is issued the carrier shall have a lien on the goods therein mentioned for all charges on those goods for freight, storage, demurrage and terminal charges, and expenses necessary for the preservation of the goods or incident to their transportation subsequent to the date of the bill and all other charges incurred in transportation and delivery, unless the bill expressly enumerates other charges for which a lien is claimed. In such case there shall also be a lien for the charges enumerated so far as they are allowed by law and the contract between the consignor and the carrier.

3. When order bill is issued a carrier has a lien on goods for all transportation and delivery charges.

SEC. 26. That after goods have been lawfully sold to satisfy a carrier's lien, or because they have not been claimed, or because they are perishable or hazardous, the carrier shall not thereafter be liable for failure to deliver the goods themselves to the consignee or owner

(H) Carrier is not liable for delivery:

1. After goods have been lawfully sold to satisfy carrier's lien.
2. When goods have not been claimed.

of the goods, or to a holder of the bill given for the goods when they were shipped, even if such bill be an order bill.

3. When goods are perishable or hazardous.

SEC. 27. That an order bill may be negotiated by delivery where, by the terms of the bill, the carrier undertakes to deliver the goods to the order of a specified person, and such person or a subsequent indorsee of the bill has indorsed it in blank.

(I) How and when a bill may be negotiated:

SEC. 28. That an order bill may be negotiated by the indorsement of the person to whose order the goods are deliverable by the tenor of the bill. Such indorsement may be in blank or to a specified person. If indorsed to a specified person, it may be negotiated again by the indorsement of such person in blank or to another specified person. Subsequent negotiation may be made in like manner.

1. By delivery to indorsee of an order bill.
   (a) Indorsement of an order bill must be by person to whose order the goods are deliverable.
      (1) Such indorsement may be in blank, or
      (2) To a specified person.
      (3) Subsequent indorsement in like manner.

SEC. 29. That a bill may be transferred by the holder by delivery, accompanied with an agreement, express or implied, to transfer the title to the bill or to the goods represented thereby. A straight bill can not be negotiated free from existing equities, and the indorsement of such a bill gives the transferee no additional right.

2. Transfer may be accompanied with an express or implied agreement to transfer title to the bill of goods.
   (a) Straight bill cannot be negotiated free from existing equities.

SEC. 30. That an order bill may be negotiated by any person in possession of the same, however such possession may have been acquired, if by the terms of the bill the carrier undertakes to deliver the goods to the order of such person, or if at the time of negotiation the bill is in such form that it may be negotiated by delivery.

3. An order bill may be negotiated by any person in possession of same
   (a) If bill requires carrier to deliver goods to order of such person.
   (b) If bill is in such form that it may be negotiated by delivery.

SEC. 31. That a person to whom an order bill has been duly negotiated acquires thereby—

(J) Rights under transfer and negotiation:

1. Person to whom a bill has been negotiated acquires
   (a) Such title to the goods as
      (1) Person negotiating bill had.
      (2) Consignee and consignor had.

(a) Such title to the goods as the person negotiating the bill to him had or had ability to convey to a purchaser in good faith for value, and also such title to the goods as the consignee and consignor had or had power to convey to a purchaser in good faith for value; and

(b) The direct obligation of the carrier to hold possession of the goods for him according to the terms of the bill as fully as if the carrier had contracted directly with him.

SEC. 32. That a person to whom a bill has been transferred, but not negotiated, acquires thereby as against the transferor the title to the goods, subject to the terms of any agreement with the transferor. If the bill is a straight bill such person also acquires the right to notify the carrier of the transfer to him of such bill and thereby to become the direct obligee of whatever obligations the carrier owed to the transferor of the bill immediately before the notification.

Prior to the notification of the carrier by the transferor or transferee of a straight bill the title of the transferee to the goods and the right to acquire the obligation of the carrier may be defeated by garnishment or by attachment or execution upon the goods by a creditor of the transferor, or by a notification to the carrier by the transferor or a subsequent purchaser from the transferor of a subsequent sale of the goods by the transferor.

A carrier has not received notification within the meaning of this section unless an officer or agent of the carrier, the actual or apparent scope of whose duties includes action upon such a notification, has been notified; and no notification shall be effective until the officer or agent to whom it is given has had time, with the exercise of reasonable diligence, to communicate with the agent or agents having actual possession or control of the goods.

SEC. 33. That where an order bill is transferred for value by delivery, and the indorsement of the transferor is essential for negotiation, the transferee acquires a right against the transferor to compel him to indorse the bill, unless a contrary intention appears. The negotiation shall take effect as of the time when the indorsement is actually made. This obligation may be specifically enforced.

2. Person to whom bill has been transferred but not negotiated
   (a) Acquires as against the transferor the title to the goods.
   (b) If it is a straight bill such person has right to notify carrier and becomes direct obligee of carrier's obligations.

   (c) Transfer may be defeated by garnishment by a creditor by prior notification of the carrier.

   (1) Notification of carrier must be made to proper agent of carrier and within reasonable time

3. Where order bill is transferred for value by delivery, transferee acquires right against the transferor to compel him to indorse bill, when such is essential for negotiation.

SEC. 34. That a person who negotiates or transfers for value a bill by indorsement or delivery, unless a contrary intention appears, warrants—

(a) That the bill is genuine;

(b) That he has a legal right to transfer it;

(c) That he has knowledge of no fact which would impair the validity or worth of the bill;

(d) That he has a right to transfer the title to the goods, and that the goods are merchantable or fit for a particular purpose whenever such warranties would have been implied if the contract of the parties had been to transfer without a bill the goods represented thereby.

(K) Liabilities of persons who negotiate or transfer bills for value:

1. Persons negotiating or transferring bill by indorsement, warrants
   (a) That the bill is genuine.
   (b) He has a legal right to transfer it.
   (c) Knows of no fact which might impair validity or worth of bill.
   (d) He has a right to transfer title to the goods.

SEC. 35. That the indorsement of a bill shall not make the indorser liable for any failure on the part of the carrier or previous indorsers of the bill to fulfill their respective obligations.

2. Indorser not liable for obligations of prior indorsers or the carrier.

SEC. 36. That a mortgagee or pledgee or other holder of a bill for security who in good faith demands or receives payment of the debt for which such bill is security, whether from a party to a draft drawn for such debt or from any other person, shall not be deemed by so doing to represent or warrant the genuineness of such bill or the quantity or quality of the goods therein described.

3. Mortgagee, pledgee or other holder demanding payment of debt does not warrant genuineness of such bill held as security, or quantity or quality of goods.

SEC. 37. That the validity of the negotiation of a bill is not impaired by the fact that such negotiation was a breach of duty on the part of the person making the negotiation, or by the fact that the owner of the bill was deprived of the possession of the same by fraud, accident, mistake, duress, loss, theft, or conversion, if the person to whom the bill was negotiated, or a person to whom the bill was subsequently negotiated, gave value therefor in good faith, without notice of the breach of duty, or fraud, accident, mistake, duress, loss, theft, or conversion.

(L) Rights of holder.

1. Validity of title to bill not impaired when received in good faith for value.
   (a) Even though negotiation was a breach of duty, or
   (b) Should the owner have been deprived of bill by fraud, accident, mistake, duress, loss, theft, or conversion.

SEC. 38. That where a person, having sold, mortgaged, or pledged goods which are in a carrier's possession and for which an order bill has been issued, or having sold, mortgaged, or pledged the order bill representing such goods, continues in possession of the order bill, the subsequent negotiation thereof by that person under any sale, pledge, or other disposition thereof to any person receiving the same in good faith, for value and without notice of the previous sale, shall have the same effect as if the first purchaser of the goods or bill had expressly authorized the subsequent negotiation.

2. Negotiation considered to have been effected from first purchaser to last holder when by intermediate transaction
   (a) A person has sold, mortgaged or pledged goods which are in carrier's possession, or
   (b) The person has sold, mortgaged or pledged the order bill but continued in possession of same.

SEC. 39. That where an order bill has been issued for goods no seller's lien or right of stoppage in transitu shall defeat the rights of any purchaser for value in good faith to whom such bill has been negotiated, whether such negotiation be prior or subsequent to the notification to the carrier who issued such bill of the seller's claim to a lien or right of stoppage in transitu. Nor shall the carrier be obliged to deliver or justified in delivering the goods to an unpaid seller unless such bill is first surrendered for cancellation.

3. No lien or right of stoppage in transit shall defeat right of a purchaser of an order bill in good faith.
   (a) Carrier not to deliver goods to an unpaid seller unless bill first surrendered for cancellation.

SEC. 40. That, except as provided in section thirty-nine, nothing in this Act shall limit the rights and remedies of a mortgagee or lien holder whose mortgage or lien on goods would be valid, apart from this Act, as against one who for value and in good faith purchased from the owner, immediately prior to the time of their delivery to the carrier, the goods which are subject to the mortgage or lien and obtained possession of them.

4. Except as above noted no right of a mortgagee or lien holder is limited as against purchaser of a bill for value.

SEC. 41. That any person who, knowingly or with intent to defraud, falsely makes, alters, forges, counterfeits, prints or photographs any bill of lading purporting to represent goods received for shipment among the several States or with foreign nations, or with like intent

(M) Forgeries, etc.
1. Are to be judged misdemeanors punishable by imprisonment not exceeding five years, or by fine not exceeding $5000, or both.

utters or publishes as true and genuine any such falsely altered, forged, counterfeited, falsely printed or photographed bill of lading, knowing it to be falsely altered, forged, counterfeited, falsely printed or photographed, or aids in making, altering, forging, counterfeiting, printing or photographing, or uttering or publishing the same, or issues or aids in issuing or procuring the issue of, or negotiates or transfers for value a bill which contains a false statement as to the receipt of the goods, or as to any other matter, or who, with intent to defraud, violates, or fails to comply with, or aids in any violation of, or failure to comply with any provision of this Act, shall be guilty of a misdemeanor, and, upon conviction, shall be punished for each offense by imprisonment not exceeding five years, or by a fine not exceeding $5,000, or both.

   (a) With intent to defraud, falsely makes, alters, forges, counterfeits, prints or photographs any bill of lading.
   (b) Or publishes as genuine any such forged bill.
   (c) Or aids in its forging.

SEC. 42. First. That in this Act, unless the context of subject matter otherwise requires—

"Action" includes counterclaim, set-off, and suit in equity.

"Bill" means bill of lading governed by this Act.

"Consignee" means the person named in the bill as the person to whom delivery of the goods is to be made.

"Consignor" means the person named in the bill as the person from whom the goods have been received for shipment.

"Goods" means merchandise or chattels in course of transportation or which have been or are about to be transported.

"Holder" of a bill means a person who has both actual possession of such bill and a right of property therein.

"Order" means an order by indorsement on the bill.

"Person" includes a corporation or partnership, or two or more persons having a joint or common interest.

To "purchase" includes to take as mortgagee and to take as pledgee.

(N) Definitions:
1. "Action" includes counterclaim, set-off, and suit in equity.
2. "Bill" means bill of lading governed by this Act.
3. "Consignee" means person named in the bill as person to whom delivery is to be made.
4. "Consignor" means the person from whom goods are received for shipment.
5. "Goods" means merchandise or chattels for transportation.
6. "Holder" means person who has both actual possession of bill and right to property therein.
7. "Order" means an order by indorsement on the bill.
8. "Person" includes corporation or partnership, or two or more persons having a joint or common interest.
9. "Purchase" includes to take as mortgagee and to take as pledgee.

"State" includes any Territory, District, insular possession, or isthmian possession.

SEC. 43. That the provisions of this Act do not apply to bills made and delivered prior to the taking effect thereof.

SEC. 44. That the provisions and each part thereof and the sections and each part thereof of this Act are independent and severable, and the declaring of any provision or part thereof, or provisions or part thereof, or section or part thereof, or sections or part thereof, unconstitutional shall not impair or render unconstitutional any other provision or part thereof or section or part thereof.

SEC. 45. That this Act shall take effect and be in force on and after the first day of January next after its passage.

10. "State" includes any territory, district, or insular possession, or isthmian possession.

(O) Effectiveness of this Act:

1. This law does not apply to bills made and delivered prior to the taking effect thereof.
2. Each section and part of this act is independent and severable.
   (a) One part declared void does not invalidate remainder of Act.
3. Act takes effect on January 1, 1917.

Up-to-the-Minute Bank

having $40,000,000 of resources, occupying its unique position in the very heart of the wholesale trade, yet within ten minutes of all railroad terminals. It is not merely a place in which to deposit money, or from which to borrow, but a center from which spring ideas for the general business welfare.

There could be no more satisfactory home for a bank, with light, ventilation, and comfort for employes. A four-story building, with about 25,000 square feet of floor space. Magnificent vaults and Library Bureau fire-proof filing cases. Every modern device; self-operating elevator; pneumatic tubes to every department; lock boxes in which each renter actually makes his own combination, with individual key, impossible of duplication.

In use here are the Burrough's Ledger posting machines, comptometer, coin counting, and coin wrapping machines, Edison dictating machines, Elliott-Fisher billing machines, Ellis Adding Typewriter machines, together with Burrough's and Wales' adding machines.

Addressograph kept busy at all times. Among other work it does is the addressing of wrappers for our "Advance," which has a circulation of 25,000 monthly.

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